STATE OF VERMONT PUBLIC UTILITY COMMISSION

Case No. 21-3883-RULE

Proposed creation of Vermont Public Utility	
Commission Rule Concerning Energy Storage	

Order entered: 02/16/2022

PROCEDURAL ORDER REQUESTING REPLY COMMENTS AND SUPPLEMENTAL INFORMATION

This case involves the Commission's proceeding to develop rules governing the installation and operation of energy storage facilities in Vermont. The Commission requests comments from participants on issues raised in both the initial comments filed by the participants and in the workshops held on January 13 and 20, 2022, in this case. The Commission also seeks comments from stakeholders on the specific issues identified below. The deadline for comments and responses is March 11, 2022.

Topic 1. Simplified Siting

a. Decommissioning Plans

What information should the Commission require for decommissioning plans? Should decommissioning plan requirements vary by project size, footprint of the site and/or other factors? What special considerations should the Commission make for decommissioning of storage systems in particular? Should the Commission include decommissioning requirements in the new storage rule or amend existing Rule 5.900 to expressly apply to storage facilities?

b. Simplified Siting for Storage other than Batteries

30 V.S.A. § 248(u) requires the Commission to "establish a simplified application process for energy storage facilities subject to this section with a capacity of up to 1 MW, unless it establishes a larger threshold by rule."

Case No. 21-3883-RULE Page 2

30 V.S.A. § 201(4) defines an energy storage facility as "a stationary device or system that captures energy produced at one time, stores that energy for a period of time, and delivers or may deliver that energy as electricity to the grid for use at a future time."

Given the definition of energy storage facility in 30 V.S.A. § 201(4) and the requirement for a simplified application process in 30 V.S.A. § 248(u), can the Commission limit the type of storage eligible for simplified siting, by rule or otherwise, to battery storage? If not, how can the Commission best address the simplified siting of technologies other than battery storage?

c. Natural Resource Assessments

The Department of Public Service ("Department") has proposed that natural resources criteria could be conditionally waived for energy storage facilities sited within existing structures. The Agency of Natural Resources ("ANR") has suggested that a full natural resources report should be submitted with every Certificate of Public Good ("CPG") petition. Are there any circumstances under which ANR would support the conditional waiver of some natural resources criteria?

d. Fire safety

If the Commission were to adopt the Department's proposal that most criteria under 30 V.S.A. § 248 be waived for systems sited within existing buildings, would there be a regulatory incentive to develop projects within existing structures? If so, does this pose any broader concerns for public safety due to fire risk and how can the Commission best address those concerns?

e. Small Systems (under 100 kW)

Should the Commission require systems under 100 kW to register with the Commission under a general permit? In the alternative, should small systems simply be required to meet basic requirements (interconnection, fire safety, and decommissioning for example) without registering with the Commission?

Case No. 21-3883-RULE Page 3

Topic 2. Aggregations and interplay between owners, operators, and utilities

f. Ownership and Cumulative Impacts

To assess the cumulative impact of energy storage systems being added to existing generation, several commenters suggested that the Commission should use an amendment process for the existing CPG at the site. When a proposed energy storage facility installer is not the CPG holder of the generation component of the paired system, should the storage project receive a separate CPG? If so, how should the Commission consider cumulative impacts?

g. Proposed Codes and Standards

Of the standards identified by the Department in their comments of December 16, 2021, (pp. 6-7), which should the Commission adopt? Should the codes and standards that the Commission adopts vary based on size, complexity, use-case, or other factors?

h. 30 V.S.A. § 231 CPG

In its comments of December 16, 2021, the Department suggests that the Commission should consider the following issues (among others) in a review of aggregated resources for a § 231 CPG (emphasis added):

- Provisions to ensure the load impacts of storage are appropriately reviewed by the interconnecting utility and do not negatively impact *ratepayers*;
- Provisions to ensure participation of the resource in the aggregation and the aggregation in the wholesale markets does no harm to the distribution utility or *ratepayers*.

Does FERC Order 2222 limit the Commission's jurisdiction in considering the impact of aggregated resources on ratepayers? Does the Commission have the authority to deny an aggregation CPG based on the impact that the aggregation may have on ratepayers?

i. Aggregation Amendments

If an already existing aggregation seeks to amend its aggregation, what opportunity does the utility have to assess system stability, system reliability, and transmission effects of the proposed

Case No. 21-3883-RULE Page 4

amendment? How can Commission processes and rules ensure that utilities can review amendments and change existing interconnection agreements (if necessary)?

SO ORDERED.

Dated at Montpelier, Vermont, this _____ 16th day of February, 2022____

Joan White Hearing Officer

OFFICE OF THE CLERK

Filed: February 16, 2022

Deputy Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@yermont.gov)

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